

AMERICAN CREDIT FONCIER.

Startling Figures Showing the Need of Money South and West.

LAWYER DOS PASSOS AND HIS PLANS.

Efforts to Be Made to Secure Government Banking for an American Land Credit Association.

Washington, May 25.—Wall street is beginning to acknowledge the crying need for more money in the South and West.

Heredotop whom that need has been referred to the wise men of the street have quoted statistics to show the per capita of currency in circulation—statistic based on the remarkable assumption that the millions of money conserved in the banks of New York and New England can be said to be "in circulation" throughout the country. Because the banks of Eastern banks were holding out, because the binges of the great boom were almost past by the savers from within, the people of the South and the people of the West have been told that there was all the money necessary in circulation.

Those who wouldn't quite see it that way were bold enough to publicize it. "Agitators," "radicals" were then—and their mild protests against the misrepresentations of the banks of the East were deemed the voices of increased brains.

Now they are having a change over the dreams of those Easterners of some of them. The cyclones are over and they feel that the times are ripe for a little financial inflation. They are talking of the plusses of money at the credit houses of confidence and are denouncing the need of the agricultural association. They even go so far as to include the banks under the rubric of the silver "monarchs" in the last campaign. Of course they still maintain that the great men were wrong in the conclusion that the banks had the reserves to back them, but it is something to get even those accomodating the idea that the old school wage-earners were domineering that the whole scheme was not to the nation's better interests, and if they would but shut their mouths confidence would return down the line and we would all of us be more comfortable with money.

The world says something else is necessary. Some of them do at least. A New York millionaire, a Boston man, and a banker—all who have been asked to introduce his plan—have come forward in Wall street circles. Wherever he goes he dredges up the old "no taxation without representation." Whether he does or not is immaterial to this story. The plan has been drafted to one of the greatest bankers who have signed on New York financial affairs. It contemplates the creation of a chartered bank of the most eligible financial resources that has ever been available at any point on the country, and, in addition to creating a number of new towns to put the United States back on the world.

Dr. A. T. Sanden's scheme is to be a great loan and land bank company, modeled after some such organization as France and Germany. The object is to lend money to farmers upon land and growing crops. To make it a success, a charter from Congress and the backing of the government is necessary. This particular scheme, like every masterpiece, will not secure such a charter and establishment, to the government in the name of this collector. But the world can say after that it may not be possible for the promoters to return to National "reform" in the next decade in the next country, but whether they do or not is not material to this story.

AN AMERICAN CREDIT FONCIER.

It is difficult to measure the real value of the influence on Monday. The first estimation which Washington had of this bill and the measures it represents was through the columns of the New York Press. The Press is a very excellent newspaper, but it is very little read in Washington; and as the Press was the only New York paper to print the news, its appearance can not be said to have created much of a sensation at first. It has taken several days for the news of what is now called the credit plan to penetrate through the columns of the local publications and the bones in the hearts of office seekers. But it has been well received, and caused at once or long continued with more or less enthusiasm during the past few days. Because of this talk and discussion, and perhaps particularly, because of the vote of curiosity in the human making, the formal presentation of the scheme to congress is looked forward to with some interest.

Credit Foncier. That is not the name which its promoters have given this American institution, but it is modelled after the French institution, and has that name as it is commonly called. The Bank and Mortgage Company of the United States is the name given it by the man from whose brain it sprung and who has borne all the expense that has been so far attached to putting it on paper—which is as far as it has gone. The man in the case is John H. Dos Passos, a New York lawyer, and although his name has been pretty freely used in the most recent stories about the proposed company, there seems to be nothing more tangible in the suggestion of their connection with it than Mr. Dos Passos' declaration that "they can not help but be favorable" when they familiarize themselves with the details of his project.

NO ORDINARY MAN IS HE.

If Mr. Dos Passos were any ordinary promoter or any ordinary man, his proposals would not deserve much more consideration than the passing shrift. But Mr. Dos Passos is no ordinary man. He is good enough lawyer to have been called in by the sugar trust people to arrange the details of their unnatural organization, and to get a check for half a million—if current stories are true—for his work. He is said to be the lawyer who, perhaps many than any other, is familiar with banking in the ways of Wall street, and certainly that is warrant enough for giving any plan he may propose more than passing consideration.

Mr. Dos Passos has evidently been devoting much study to the financial conditions of the different parts of this country. The fact that the country is "dry" in New York, and not deluged with water, has told the people of other parts of the country are prosperous and that all the talk in the contrary is due to the idle imaginary. He has looked on the figures showing the banking capital of the various States, and finds that whereas the average banking power per capita is \$37.62 in Rhode Island, it is only \$1.89 in Arkansas. They figure out the average banking power per capita in the United States to be \$10.61, but he shows that whereas in the six New England States it is \$22.13, in the thirteen Southern States it is only \$1.89.

A study of the same figures show that in the group of States and Territories in the far West—the Dakotas, Nebraska, Kansas, Montana, Idaho, Wyoming, Utah, Colorado, Arizona and New Mexico—the banking power per capita is but \$36.57.

The Southern States, it will be seen, suffer most from this lack of money, the

Western States as grouped in this compilation coming next to the list of sufferers.

HIS IDEA OF A REMEDY.

Having ascertained to his own satisfaction that these ills are not imaginary, but are only too real, Mr. Dos Passos starts after a remedy. He believes it is to be found in increasing the banking facilities, giving to the afflicted sections greater banking power. As he describes it he wants to equalize banking facilities throughout the country.

This desire brought him to the study of the methods in other countries. The Reiffenbach system, and the Saxon Land Credit association which is an outgrowth of that system, have furnished him with his main ideas. This system was described at length in a recent issue of the Constitution. Then the French Credit Foncier, which is very much the same thing, furnished other details of information, and the result of the New York lawyer's study is found in the American Loan and Mortgage Company. The capital stock of the proposed company is divided into the enormous figure of \$100,000,000, and under the charter as drawn the company is to be allowed to do a business of \$2,000,000,000.

The figures are staggering. They exceed the dreams of the most enthusiastic financial promoters of the past. "Visionary," is the verdict of the rivals. And yet, is it impossible to believe?

THE COMPANY AND ITS PURPOSES.

In a nutshell Mr. Dos Passos sets forth his purpose in this way:

The question of discovering a remedy for the condition of affairs described has been the subject of serious thought and study for a few months in this country. The remedy, we think, lies in endeavoring to bring upon cost cities and in consolidating and streamlining one loan among many investors, as is followed in four great railroad properties, and it can be obtained by the establishment of a company in the nature of a bank and mortgage company—a charter for which I already have drawn, and which it is proposed to call the Loan and Mortgage Company of the United States.

Taking briefly into details concerning this company, we say:

It is proposed to establish a company under a special charter from the government of the United States, with a capital of \$100,000,000 divided into shares of \$10 each, to be open to subscription all over the United States and to invite people generally to subscribe for the shares, no one person having the right to receive more than \$100 of the stock, unless that whole amount is not taken in which case it will be awarded to reserved subscribers. This makes the company the bank of the nation and gives it at once a stamp of popularity which can not be denied from it.

He expects to get much of this from the money which is now going into the savings banks.

He points to the success of the European institutions to bear out his prediction that there will be good interest returns for the stockholders.

ITS POWERS AND OBJECTS.

The powers and objects of the company are set forth in the literature which Mr. Dos Passos has prepared are as follows:

To make and institute first mortgages on improved rural, urban and suburban real estate, capable of producing continuous and stable income and make loans upon every species of indebtedness or obligation, whose repayment is secured or guaranteed by first lien or mortgagage, at a rate of interest not to exceed 10 per cent, such loan shall not exceed in any case 20 per cent of the actual cash value of the said property as determined by competent sworn appraisers, whose movements will be limited and restrained by such rules as will make it practically impossible for the company to lose money. It is stated that in forty-five years under the regulations established by the "Civil Mother" for loans, money it has not lost a single dollar and the company has acquired by purchase of bonds that only six millions of dollars have been paid out of a business represented by the amount of assets.

"The loans may be proposed company shall be made for short terms not exceeding fifteen years, and repayable in full at the end of a fixed period, and for long terms ranging from fifteen to seventy-five years, repayable in periodic installments which shall include principal, interest and charges. The borrower on either short or long terms to have the privilege of discharging at any time, in full or part, the balance of his indebtedness.

Secondly, in addition to the capital of \$100,000,000, which the company proposes to have, it will be authorized to issue bonds bearing interest at as low a rate as 5½ per cent, or even 4½, if possible, against every portion which it may make in loaning money upon real property, in other words, if the company shall make a loan of \$100 upon a piece of property worth \$200 it has a right to issue its bonds for \$100 to cover that transaction, which bond will be issued in series to represent the transaction against which it is issued; that is to say, if a loan is made upon a piece of property worth \$100, the bonds of the company shall be a stagger, even to these ends of great advantage.

While all that Mr. Dos Passos has to say is very interesting, and while there is doubtless much merit in his plan, it is a question whether it will be adopted as it is now. Time will expose the prevailing sentiment when he will sell it.

An enterprise of that kind will hardly receive the sanction of congress until the form of our government is changed. He might have added that there will be no such radical innovation so long as the National banking system has so many strong defenders in high places.

No, nothing will come of it, but it has already served a purpose, it has shown the financial world that there is something radically wrong in the conditions throughout the South and West. Even Wall street acknowledges that now.

Thoughtful men among the financiers of the East recognize that something must be done to give relief to the oppressed agricultural sections of the West and South.

"I hope with all my might that the people of New York will give their support of this measure," Mr. Dos Passos is quoted as saying, "for if something is not done to assist the people of the South and Southwest, we will have free coinage of silver, or something worse, very soon."

Third—The company shall have the right to make short time loans on collateral securities, to receive money on deposit, such deposits not to be subject to withdrawal or redemptions.

To undertake the management of banking and redemption funds or annuities with municipalities,

or other private or public corporations, or individuals, when sufficient and proper securities are given.

"It will also be clothed with power to

invest, possess, rent, lease, manage, buy and sell grain elevators and warehouses, to take land, timber, timberless farms or other agricultural or manufacturing land and properties and upon all kinds of grain, cereal, cotton, tobacco, leather, mineral, animal and other products, either on its own behalf or as agent for others; to act as trustee or executor of all kinds of corporations, municipal or private; to act as trustee or administrator, and in settlement of estates, and in the management of insurance companies to deal in all of its own securities, and to generally have all powers necessary for carrying into effect the purposes and schemes of the charter, which are to be as nearly as possible assimilated to the powers now exercised by the "Credit Foncier" of France.

"The company, however, shall not have

the power to issue bank notes on bills or discount commercial paper or to issue money subject to withdrawal on demand checks."

WHERE THE GOVERNMENT COMES IN.

As I explained at the outset, the object of the promoters of this gigantic project is to bring it into close relationship with the government. The object in coming to congress for a charter is to give a National character to the enterprise. The scheme goes farther than this, and asks, as in the

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"Never deceive the sick. A man who would commit such a moral crime deserves the severest punishment."



Prof. Munyon, the highest medical authority in the world. Munyon's Improved System of Medicine is founded on the principles of knowledge and common sense. Munyon has a separate specific for each disease. Mostly sold for 25 cents for each disease.

H. F. Speer, 20 Commerce Street, Dallas, Texas, says: "I used one sample bottle of Munyon's Rheumatism Cure. I took part of the bottle, and feel entirely well."

In doubt write to Prof. Munyon at Philadelphia, Pa., and get medical advice.

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case in the European associations, after which this is modelled, that the government takes almost entire control of the association's affairs. As Mr. Dos Passos explain.

It is not proposed to ask the government of the United States to subscribe one dollar to the capital of the company, but on the contrary, one of the purposes of the incorporation and conditions under which the charter will be added from congress will be that the company shall on the government's demand, draw upon the government's account at least, equal to the government's interest, for which the company shall receive certificates on short term or other obligations, repayable out of the government receipts, or otherwise, as circumstances may permit.

In addition to these restrictions and limitations, the government will have the right to appoint the governor or president of the bank, and two directors, to look after the general conduct of the company and binders, and to appoint a special auditor who shall make and publish monthly reports of the condition of the company, which reports will be supplemented by regular quarterly reports made under oath by the executive or managing board of directors.

THE FIGHT SHY OF IT.

A number of men prominent in the financial world are mentioned in the news papers stories as being among the promoters of this project, but it is a significant fact that with the exception of the man who drew the charter, all deny connection with it. Such names as J. Pierpont Morgan, Henry G. Havemeyer, Secretary of the Treasury Gage, J. Edward Simons, ex-Comptroller Hepburn, G. N. Jordan, and others are used, but these gentlemen deny connection with the plan.

It is pointed out that the "Green Ticket" Lonsdale, sold by some of our competitors at 6½¢ a yard, you can have 10 yards for .

1 lot Patterns, 10 yard lengths, Figured Dimities, Lawns, Swiss, Batiste, etc., selling usually at 10c to 15c, they go per pattern..

At 50c.

125 10 yard cuts Checked Nainsook, a regular 8½ quality, 10 yards for ..

At 35c.

500 Patterns 10 yard lengths Novelty Lawns, Fancy Dimities, Fancy Cotton Chalchi, Apron Ginghams, etc., none worth less than 10c a yard, a pattern for ..

35c

100 10 yard cuts India Linen, considered cheap at 5c a yard, 10 yards for ..

25c

110 10 yard cuts India Linen, considered cheap at 5c a yard, 10 yards for ..

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